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February 28, 2002

**To:** County Superintendents  
School District Superintendents  
Charter School Principals

**From:** William L. Padia, Director  
Policy and Evaluation Division

**Subject:** **Payment of Costs Incurred From Administering the Schoolsite Employee Performance Award Program**

**Ref. No.** **PED-AWARDS-02-04**

On February 8, 2002, notification of the second apportionment of the Schoolsite Employee Performance Bonus (SEPB) for 1999-2000 (Senate Bill 1667, Chapter 71, Statutes of 2000) was sent from the School Fiscal Services Division of the California Department of Education. This award provided money to schools and their employees based on the total number of full-time equivalent employees, both certificated and classified, who worked at each award winning school. Half of the money was to go to the employees at the school and half was to be spent at the discretion of the school site council/governing board with the approval of the school district governing board. The distribution of the funding for this award was made in two parts, the first apportionment was made during March 2001 and distributed the bulk of the money. This second apportionment distributes the approximately 10 percent that was reserved from the first apportionment for contingencies, most of which never occurred.

For more information on this particular award program, please visit our web site at:

<http://www.cde.ca.gov/ope/awards>

The purpose of this memo is to clarify the provision of Assembly Bill 804 <sup>1</sup> (AB 804) that addresses the out-of-pocket expenses that districts must incur in order to pay the employee portion of the SEPB. This provision applies to the SEPB only, and does not apply to any other award program.

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<sup>1</sup> Chapter 734, Statutes of 2001, Section 83; effective October 11, 2001.

Specifically, AB 804 requires local education agencies to deduct the school agency administrative costs and salary-driven benefit costs (including the employer's share of Medicare, unemployment insurance, and workers compensation) from the amount of the SEPB targeted for the school site. The school district does not need to obtain the consent of the school site council/governing board in order to make these deductions. Our discussions with school district personnel indicate that the school-site portion of this second apportionment should be more than adequate to pay the district's out-of-pocket expenses for their employees for both the first and second apportionments.

Please note that the SEPB was intended to be in existence for one year only. It will not be continued. If you have any questions regarding this memo, please contact Patrick Chladek, Manager, Awards Unit, at (916) 657-3810.